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Sadness, identity, and plastic in over-shopping: The interplay of materialism, poor credit management, and emotional buying motives in predicting compulsive buying

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ABSTRACT

A comprehensive study is currently lacking to explain why material values strongly influence compulsive buying. The goal of the current study is to test if money management, buying motivations for improving mood and identity, and self-transformation expectations mediate the link from material values to compulsive buying. In one sample ($N = 1077$) we find, as expected, that materialism correlates positively with compulsive buying and that a lack of money management mediates the path from materialism to compulsive buying. In a second sample ($N = 650$) we find that, specifically, it is the poor credit management of materialists that most strongly mediates this relation. Further, emotional buying motives (i.e., shopping in order to improve one's mood) and transformation expectations also mediate the relationship between materialism and compulsive buying. Thus, the tendency of materialists to (a) not manage their credit, (b) believe that their purchases will transform their lives, and (c) make purchases for emotional reasons completely explains their greater frequency of compulsive buying.

1. Introduction

In Western economies, as much as 10% of adults may be compulsive spenders (Dittmar, 2005b), and this trend appears to be increasing (Neuner, Raab, & Reisch, 2005). Compulsive consumption, chronic and repetitive purchasing accompanied by a loss of control over buying behavior, results in continued shopping despite numerous harmful emotional, social, and financial consequences (e.g., O'Guinn and Faber, 1989). Specifically, compulsive buying often contributes to debt (e.g., Lo & Harvey, 2011), negative emotion (e.g., guilt and disappointment with self; e.g., Faber & O'Guinn, 1992; Koran, Faber, Aboujaoude, Large, & Serpe, 2006), and worsening social relationships (Miltenberger et al., 2003). Importantly, this detrimental behavior is strongly associated with materialistic values (i.e., a belief that material possessions can signal success, bring happiness, and are an important goal of one's life; see Richins & Dawson, 1992; e.g., Dittmar, 2005a). Likely, materialism precedes compulsive buying

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as an antecedent because the value of materialism suggests a psychological benefit from consumption (Richins & Dawson, 1992) and compulsive buying is a maladaptive consumer behavior often done for psychological benefit (e.g., Elliot, 1994). Further, major predictors of compulsive buying are motivations to improve identity and emotion (Dittmar, 2005a; Dittmar, Long, & Bond, 2007).

In addition to the materialistic values fulfilled through spending, inadequate money management (i.e., poor planning and overseeing the use of money; see Dew & Xiao, 2011) may also lead to compulsive buying (Donnelly, Iyer, & Howell, 2012; Gardarsdottir & Dittmar, 2012; Pham, Yap, & Dowling, 2012). Pham et al. (2012) found that money management practices buffer the effects of materialism on compulsive buying, but current literature lacks exploration of a mediation model. Moreover, consumers' expectations to transform their lives and selves through consumption have mediated the link from materialism to credit overuse (Richins, 2011). However, though buying motivations (for mood and identity) mediate the relationship between materialism and compulsive consumption and transformation expectations mediate the link from materialism to credit overuse, no study to date has explored these three mediators together in a more comprehensive model. Therefore, the current study seeks to determine the unique contributions of buying motivations, transformation expectations, and money management in mediating the relationship between material values and compulsive buying.

1.1. Compulsive buying, materialism, and money management

Compulsive buyers are generally less aware of their budgets (Lo & Harvey, 2011), report a greater use of credit cards (e.g., Lo & Harvey, 2011), consider the consequences of their spending less frequently (Wu, 2006), and thus tend to overspend and consume in ways detrimental to their long-term financial interests (Faber & O'Guinn, 1992). However, given compulsive buyers' higher likelihood of endorsing material values (e.g., Donnelly et al., 2012) and materialists' focus on acquisition of items (Richins & Dawson, 1992), it would seem likely that individuals who highly endorse material values would be concerned with managing their money in order to maximize their purchasing power on a long-term basis in order to consistently acquire the items they value. Paradoxically, materialistic individuals tend to use fewer money management strategies than general consumers (e.g., Donnelly et al., 2012; Gardarsdottir & Dittmar, 2012). Specifically, materialists borrow more (e.g., Richins, 2011), view borrowing in a more favorable light (e.g., Richins, 2011), overuse credit cards more frequently (e.g., Koran et al., 2006; Richins, 2011), spend more in general (Gardarsdottir & Dittmar, 2012), save less (Troisi, Christopher, & Marek, 2006), have more favorable attitudes towards spending (Watson, 2003), and worry more about finances (Gardarsdottir & Dittmar, 2012) than the average consumer. While research has demonstrated the poor financial behavior associated with compulsive buying, research investigating the causal role of money management in compulsive purchases is relatively understudied (Pham et al., 2012).

There is now robust evidence that, in general, values predict behavior (e.g., Schwartz, 1996). Also, specifically, material values predict compulsive buying (e.g., Dittmar, 2005a; Dittmar et al., 2007; Donnelly et al., 2012; Faber & O'Guinn, 1992; Frost, Kyrios, McCarthy, & Matthews, 2007; Gardarsdottir & Dittmar, 2012; Mowen & Spears, 1999; O'Guinn and Faber, 1989). Given that Baron and Kenny (1986) suggest that "mediation is best utilized when there is a strong relation between a predictor and criterion variable whereas moderators are typically examined when the relation between the antecedent and outcome are weak or inconsistent" (p. 1178), and considering the robust connection between material values and compulsive buying, testing for mediation is a reasonable approach. Further, the same variable can be examined as both a moderator and a mediator. That is, these statistical procedures, while neither the same nor mutually exclusive, can be used to determine why (mediation) something happens as well as when (moderation) something is likely (Baron & Kenny, 1986). Consequently, although Pham et al. (2012) demonstrate that money management moderates the positive relationship between materialism and compulsive buying, money management may also mediate the link from material values to compulsive buying.

That said, why should money management mediate the link from material values to compulsive buying? As Hoch and Loewenstein (1991) suggest, consumers are influenced both by short-term emotional factors and by long-term rational concerns, resulting in a conflict between immediate desires (i.e., their current interests) and willpower (i.e., their ability to control their immediate desires in favor of long-term concerns). When consumers are asked about the types of self-control strategies they use to resist impulse purchases, the first tactic often mentioned is conscious consideration of the economic cost (Rook & Hoch, 1985). For this reason, maladaptive consumption (e.g., compulsive buying) likely results from a shift in the consumer's desire – a preference for immediate wants, which temporarily overrides long-term goals. However, resisting such impulses (i.e., prioritizing long-term preferences over immediate desires) depends on a person's self-control (Baumeister, 2002; Baumeister & Heatherton, 1996). Also, as suggested by Baumeister's (2002) three components of self-control, maladaptive consumption (e.g., compulsive buying) should occur when a person does not: (1) have a goal or standard (e.g., a financial budget), (2) establish a monitoring system to measure one's distance from their current state to a desired end point (e.g., money management), or (3) the operational capacity to carry out one's behavior, despite conflicting, immediate pressures from the environment (e.g., depletion). Thus, the reason people can reduce their maladaptive consumption by creating a budget (Baumeister, 2002; Wu, 2006) is because a budget provides a standard that allows a person to monitor spending behavior. Also, because monitoring finances appears to increase the operational capacity to carry out planned financial behaviors (Oaten & Cheng, 2007), people spend less and save more when monitoring their spending (Oaten & Cheng, 2007). Lastly, specific money management therapy activities (e.g., assigning participants to read about how to control their shopping and teaching them to replace their credit cards with cash and debit cards) has been found to lessen instances